spread of the situation; and

(c) if so, details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) to (c) Because of proximity to Golden Triangle, the north eastern region of the country is specially vulnerable to drug trafficking.

(d) and (e) A comprehensive bilateral agreement has been entered into with the Government of Union of Myanmar for preventing illicit traffic in narcotic drugs. Regular meetings at Secretary level and field level meetings between enforcement agencies of the two countries are taking place. Contact points for quicker communication of operational information have been designated. Under the North-East council, nodal officers have been designated by State Governments to coordinate enforcement efforts. The Manipur Polic Department has created a dedicated cell for narcotics.

Instructions have been issued to all the enforcement agencies to maintain utmost vigil and step up enforcement efforts under the stringent provisions contained in NDPS Act. Training is being imparted to officers to improve their effectiveness.

Implication of T.D.S. Scheme

5319. SHRIMATI MALTI SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether attention of Government has been drawn to the news item captioned "Ad agencies up in arms against TDS Scheme" which appeared in "The Hindustan Times" dated the 21st March, 1995; if so, the details of the TDS Scheme and the implications thereof and also Government's reaction thereof; and

(b) whether Government would consider withdrawing TDS Scheme under the Income Tax Act, if so, by when and if not, the limitation thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) Yes, Sir. The Government is aware of the said news item. In the Finance Bill, 1995, it has been *inter-alia* proposed that (i) tax shall be deducted at source under section 194C at the rate of 2% (1% in the case of a sub-contractor) from payment made to a contractor in pursuance of a work contract including an advertising contract provided that the payment exceeds Rs. 20,000; and (ii) tax shall be deducted at source under section 194J at the rate of 10% from payment of fees for professional services or technical services provided the payment exceeds Rs. 20,000. The term "professional services" used in section 194J includes rendering of services in the course of advertising profession. The apprehensions expressed in the news item are not well founded. As per section 194C, deduction of tax at source has to be made from contract payments while deduction of tax at source under section 194J has to be made from fees for professional services. These two provisions deal with two mutually exclusive situations and there is no question of applying both the sections to a given payment.

(b) No such proposal is under consideration. The provisions are proposed in order to widen and deepen the tax base and constitute an important mode of collection of taxes.

Working of Public Sector Banks

5320. SHRI T. VENKATRAM REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have reviewed the working of public sector banks during the last three years; and

(b) if so, the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) The working of the public sector